

DOMINICA C. ANDERSON (SBN 2988)  
**DUANE MORRIS LLP**  
100 North City Parkway, Suite 1560  
Las Vegas, NV 89106  
Telephone: 702.868.2600  
Facsimile: 702.385.6862  
E-Mail: daneighbarger@duanemorris.com

JOHN ROBERT WEISS (IL Bar No. 6190335)  
(Admitted *Pro Hac Vice*)  
**DUANE MORRIS LLP**  
190 South LaSalle, Suite 3700  
Chicago, IL 60603  
Telephone: 312.499.6700  
Facsimile: 312.499.6701  
E-Mail: jrweiss@duanemorris.com

Attorneys for Creditor BANK OF AMERICA, N.A.,  
SUCCESSOR BY MERGER TO LASALLE BANK  
NATIONAL ASSOCIATION, AS TRUSTEE FOR THE  
REGISTERED HOLDERS OF GMAC COMMERCIAL  
MORTGAGE SECURITIES, INC., COMMERCIAL  
MORTGAGE PASS-THROUGH CERTIFICATES,  
SERIES 2003-C1, ACTING BY AND THROUGH  
CWCAPITAL ASSET MANAGEMENT LLC, SPECIAL  
SERVICER

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

HORIZON RIDGE MEDICAL &  
CORPORATE CENTER, LLC,  
  
Debtor.

Bankruptcy No.: BK-S-12-13906-lbr  
Chapter 11

**DECLARATION OF DANIELLE STEFFEN**

I, Danielle Steffen, declare and state as follows:

1. I am an individual resident of the State of Nevada. I am over 18 years of age and make this Declaration on my personal knowledge. If called as a witness, I would and could competently testify to the facts contained herein. I submit this Declaration in connection with the Motion of Bank of America, N.A., successor by merger to LaSalle Bank National Association, as trustee for the registered holders of GMAC Commercial Mortgage Securities, Inc., Commercial

1 Mortgage Pass-Through Certificates, Series 2003-C1, acting by and through CWC Capital Asset  
2 Management LLC, Special Servicer, For Orders (A) Approving Sale Procedures, (B) Approving  
3 Retention of the Broker, (C) Setting a Sale Hearing Date, and (D) Approving the Sale of the  
4 Debtor's Assets (the "*Motion*").

5 2. I am Director – Industrial/Investments of Commerce Real Estate Solutions (the  
6 "*Broker*"). My office is located at 3773 Howard Hughes Parkway, Suite 100S, Las Vegas, Nevada.  
7 I hold a broker's license for the sale of real estate in Nevada and have ten years of experience in  
8 brokering the sale of commercial real estate in the Las Vegas area.

9 3. I have reviewed the Opposition of Horizon Ridge Medical & Corporate Center, LLC  
10 to the Motion.

11 4. I believe that the appropriate marketing period for the Debtor's Assets (as defined in  
12 the Motion) is six to eight weeks. The marketing period would commence after due diligence and  
13 marketing materials were prepared, and marketing materials sent to prospective purchasers. This  
14 timing has due diligence built in to marketing period, as all requisite due diligence will be complete  
15 and ready for prospective purchasers to review before marketing begins. Due diligence is built into  
16 the marketing period for an auction sale and not tacked on at the end of a marketing period as it  
17 would be in a non-auction scenario.

18 5. In the case of the Assets, it is preferable to begin the marketing and sale as quickly as  
19 possible. Because of the nature of the Debtor's leases, time is not on the Debtor's side. Of the 16  
20 suites that are occupied by tenants (there are 18 total suites, with one leasing office and one  
21 conference room), four expire in 2014, two more in April of 2015, and one in October of 2015. If  
22 these leases are considered on a square foot basis, leases for 9,610 square feet of space (of a total of  
23 26,627 square feet of space), or 37% of the property, will expire in the next fifteen months. There  
24 are three other leases on a month-to-month. As the expiration of these lease terms approaches, the  
25 Assets are devalued, and an investor will require a higher capitalization rate to minimize the risk.  
26 The sales price will not increase.

1           6.       Given the nature of this property, a longer marketing period to allow prospective  
2 purchasers additional time to obtain financing is not necessary. In my experience with investment  
3 properties like the property, prospective purchasers are cash buyers and financing does not come into  
4 play.

5           7.       As to the new leases, in my experience, they will not increase the value of the  
6 property. The leases for Suites 102 and 105 have been filed under seal, as well as the lease addenda  
7 for Suites 200 and 203. However, I have reviewed the Debtor's November 2013 Rent Roll. The  
8 November 2013 Rent Roll reveals that the rent for Suite 205 is \$1.22 per square foot modified gross,  
9 which is 34% below market value. According to the Cushman & Wakefield Fourth Quarter 2013  
10 Office Market Report market rates for a Class B Office Building such as the property is \$1.85/SF on  
11 a gross basis (\$1.35/SF on a net basis). The rent for Suite 205 is also below the rents received for  
12 leases completed in 2010 and 2011.

13           8.       The property is an income producing property; in my experience, additional leases at  
14 below market rents will not increase the price for which it will sell.

15           9.       I have reviewed the Opposition in which the Debtor argues that the value of the  
16 property has increased because the net operating income of the property has increased by  
17 approximately \$3,700 (from \$341,654 to \$345,352). This is \$308 per month. I do not believe that  
18 this small increase in monthly rent will translate to a higher bid at an auction. Because it may signal  
19 that the new leases are below market value (which would be consistent with the lease for Suite 205),  
20 it may actually harm value at an auction. New leases at below market value will not increase value  
21 after a longer marketing period.

22           10.      Even though the real estate market may be improving to the extent that there is a  
23 higher volume of sale and lease transactions, this does not translate to an increase in sales or lease  
24 prices. Volume is increasing because properties are discounted.

25           11.      I declare under penalty of perjury under the laws of the United States, that the  
26 foregoing statements are true and correct.

1 Dated: January 31, 2014

2 Danielle Steffen  
Danielle Steffen

3  
4 Subscribed and sworn to before me this  
5 31<sup>st</sup> day of January, 2014

6 Laurene Palma  
7  
8 Notary Public

